

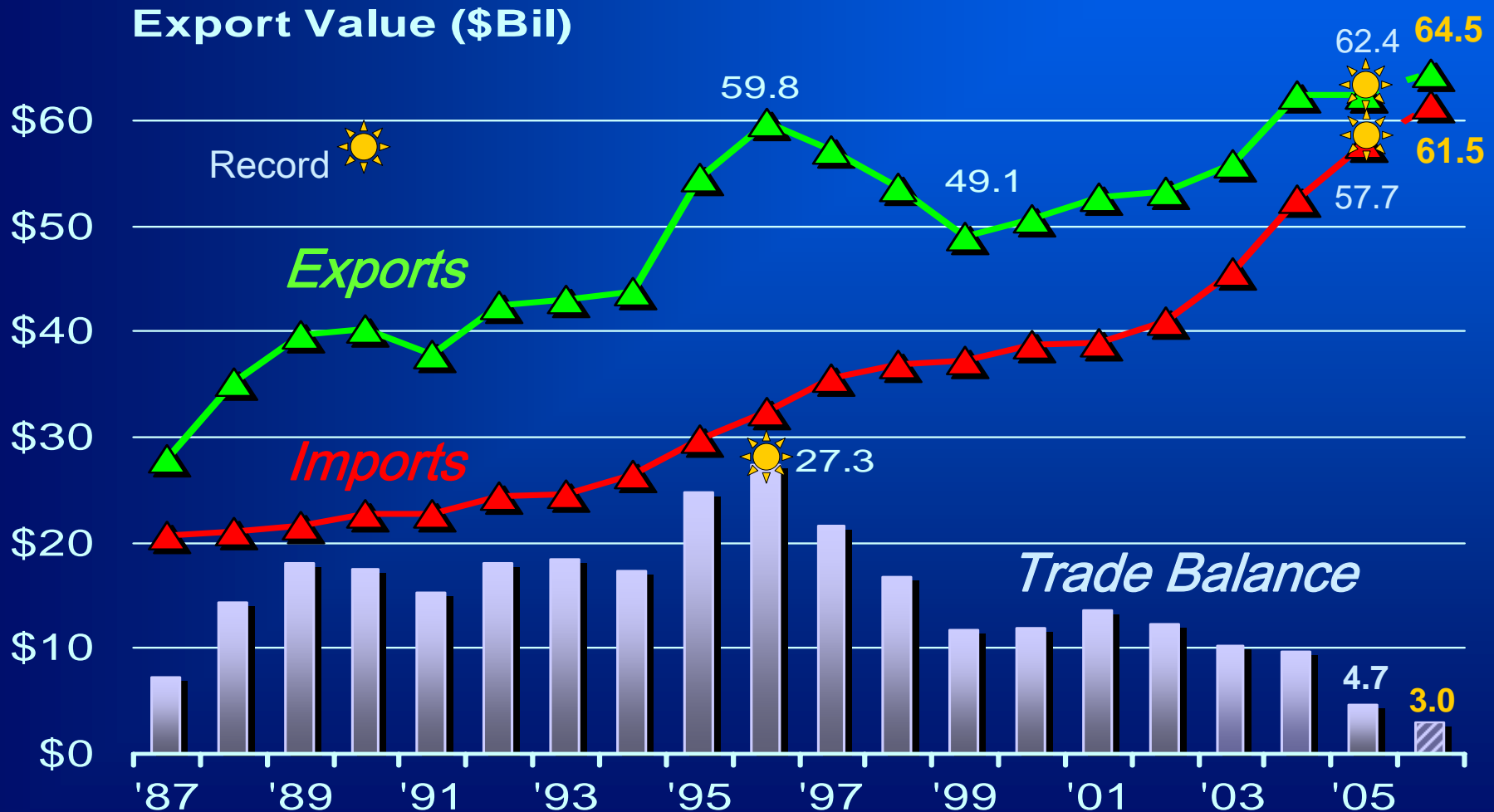
FY 2006 Export Forecasts for Ag, Fishery & Solid Wood Products

AgExports raised \$1 billion to record \$64.5 billion
AgImports raised \$500 million to \$61.5 billion
AgTrade Surplus set at \$3 billion

USDA's "Outlook for U.S. Agricultural Trade"
was released on November 22, 2005, 4pm EST
Prepared by Foreign Agricultural Service/USDA

U.S. Agricultural Trade

In 2006, horticulture, cotton & livestock products drive export growth, while low grain & oilseed prices persist and some BSE beef import bans on remain. Imports continue rapid rise on strong consumer demand led by horticultural products.



Export Outlook for Grain & Feed Products

Revised FY 2006 Forecast:  \$500 million to \$16.3 billion

Revised FY 2006 Forecasts

Upside Developments

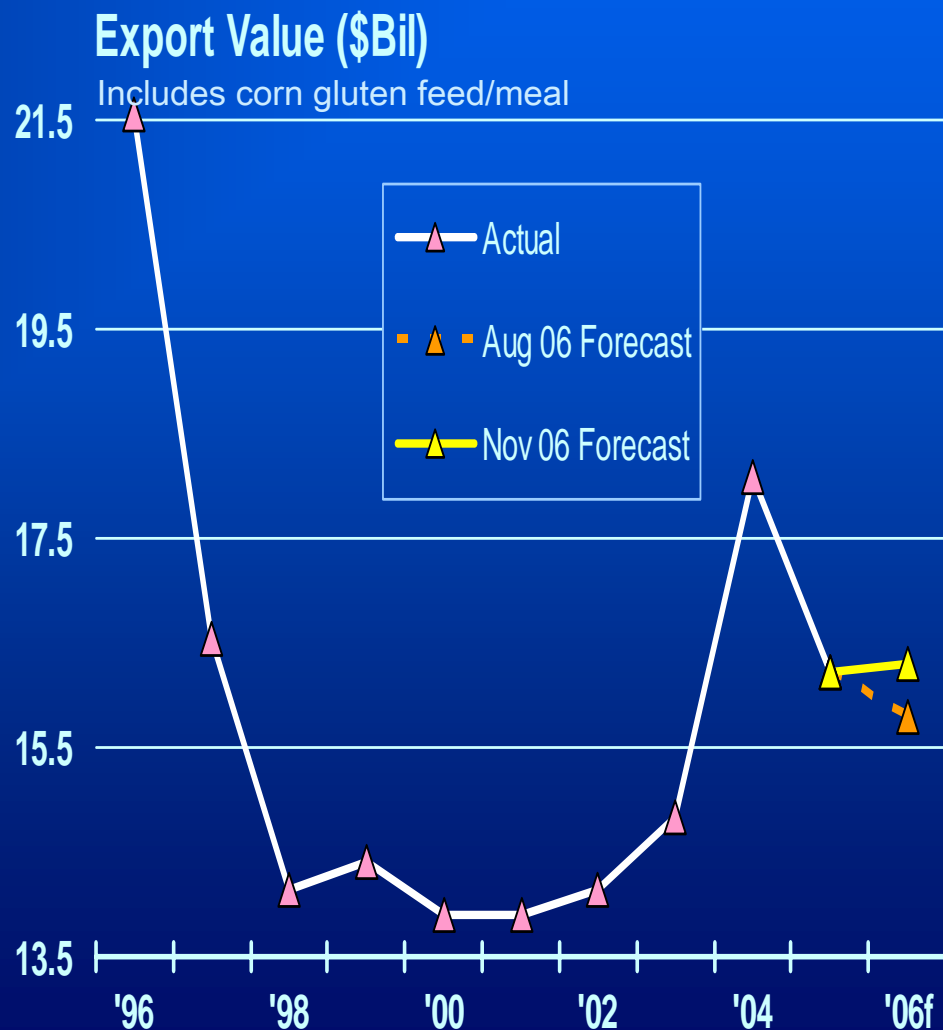
- Low-priced feed grains and reduced competition from Argentine corn should stimulate US corn sales
- US hard wheat prices up due to strong demand and tight supplies
- Stronger rice prices due to somewhat tighter global markets

Downside Developments

- Corn export volume lagging
- Ample global wheat supplies should restrain any growth in US market share

Wild Cards

- China's corn exports
- Impact of bird flu (AI) on feed grain demand as consumers switch from poultry to other meats



Export Outlook for Oilseeds & Products

Revised FY 2006 Forecast:  \$800 million to \$10.3 billion

Revised FY 2006 Forecasts

Upside Developments

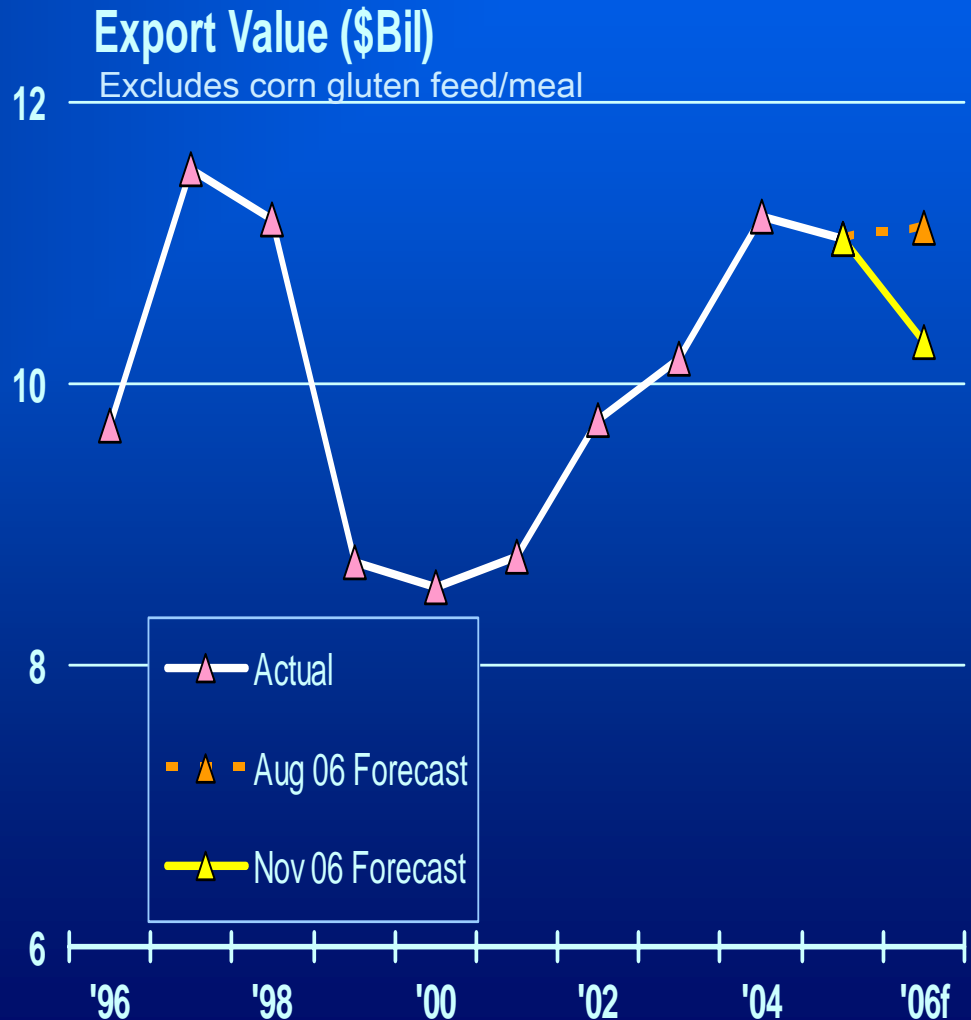
- Abundant US soybean supplies
- China soybean imports expected at record 27.5 mmt in MY 2005/06
- Soy oil supported by rising demand for use as bio-diesel

Downside Developments

- US soybean exports to EU lower with large Brazil exports continuing into early US sales season
- Upward revision in US soybean crop & US stocks pressure prices

Wild Cards

- S. American soybean plantings and harvest; China's imports
- Impact of bird flu (AI) on feed demand as consumers switch from poultry to other meats



Export Outlook for Cotton

Revised FY 2006 Forecast: Unchanged at \$4.5 billion

Revised FY 2006 Forecasts

Upside Developments

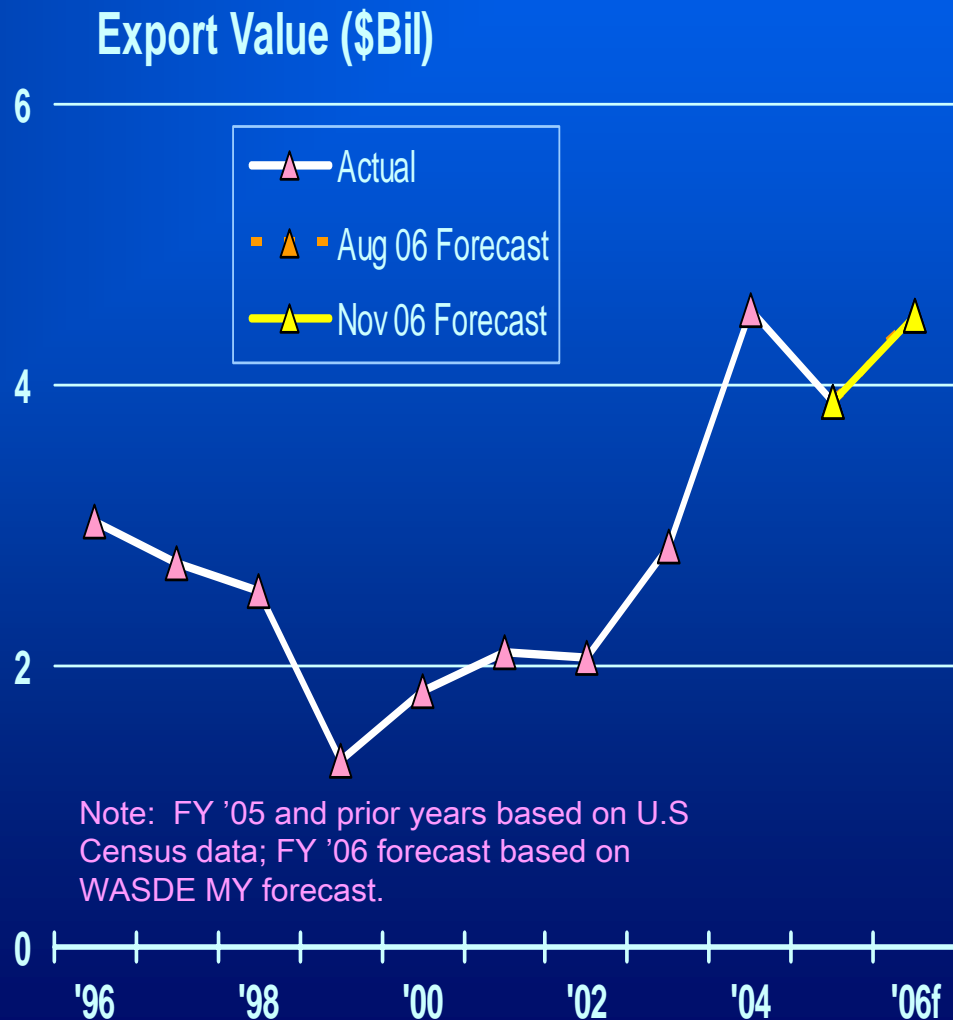
- Since August, upward revision of 1.87 million bales for the 2005/06 U.S. crop estimate due to favorable weather
- Downward revision of 1.5 million bales in China's crop estimate and quality concerns due to rain

Downside Developments

- Larger crops in several other exporting countries, Uzbekistan and Greece

Wild Cards

- Cotton share in China spinning
- U.S./China textile agreement may impact U.S. cotton opportunities in China



Export Outlook for Dairy, Livestock & Poultry

Revised FY 2006 Forecast:  \$600 million to \$12.5 billion

Revised FY 2006 Forecasts

Upside Developments

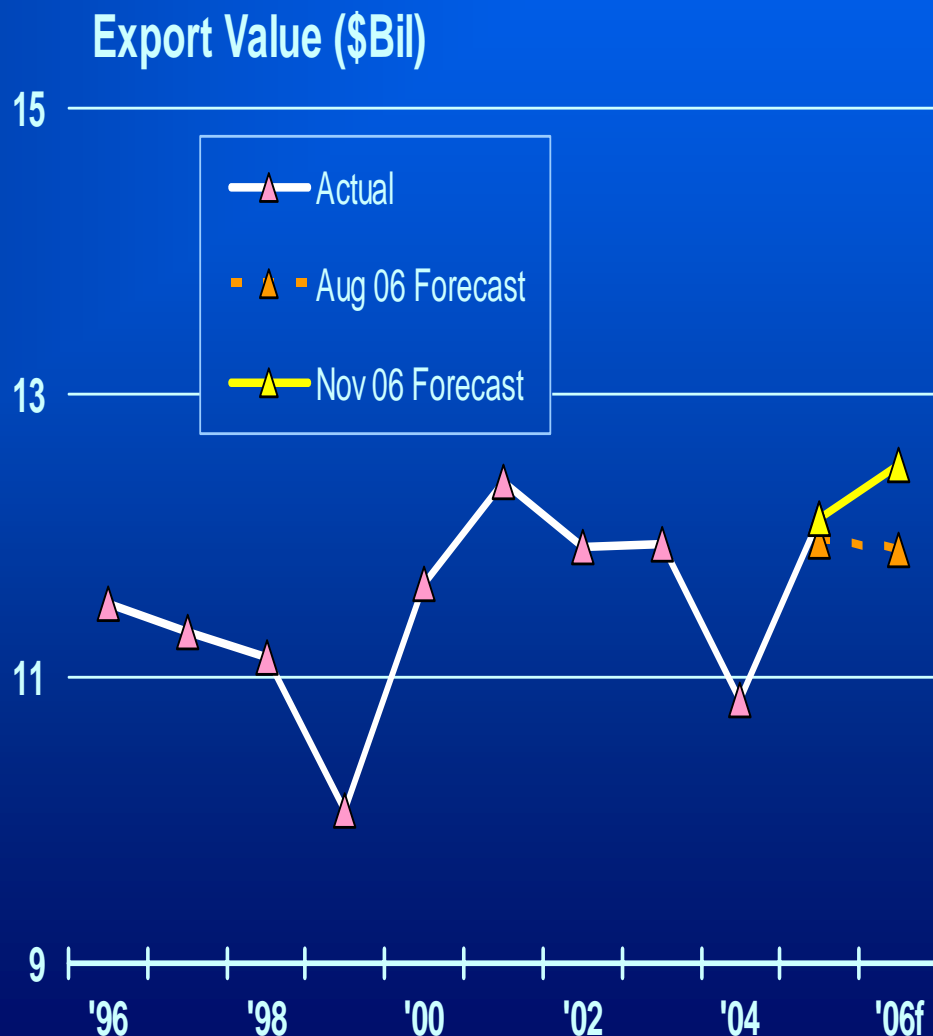
□ Pork exports up in vol (73,000 MT) and value (\$152 million) to record 955,000 MT valued at \$2.4 billion; demand strong in part due to health issue concerns surrounding beef & poultry

Downside Developments

□ Lower prices for broiler meat and dairy products offset volume gains

Wild Cards

□ AI concerns may lower poultry meat demand in selected countries
□ Timing of the lifting of BSE bans; beef exports remain flat assuming bans remain in place



Export Outlook for Horticultural Products

Revised FY 2006 Forecast: Unchanged at \$15.9

Revised FY 2006 Forecast

Upside Developments

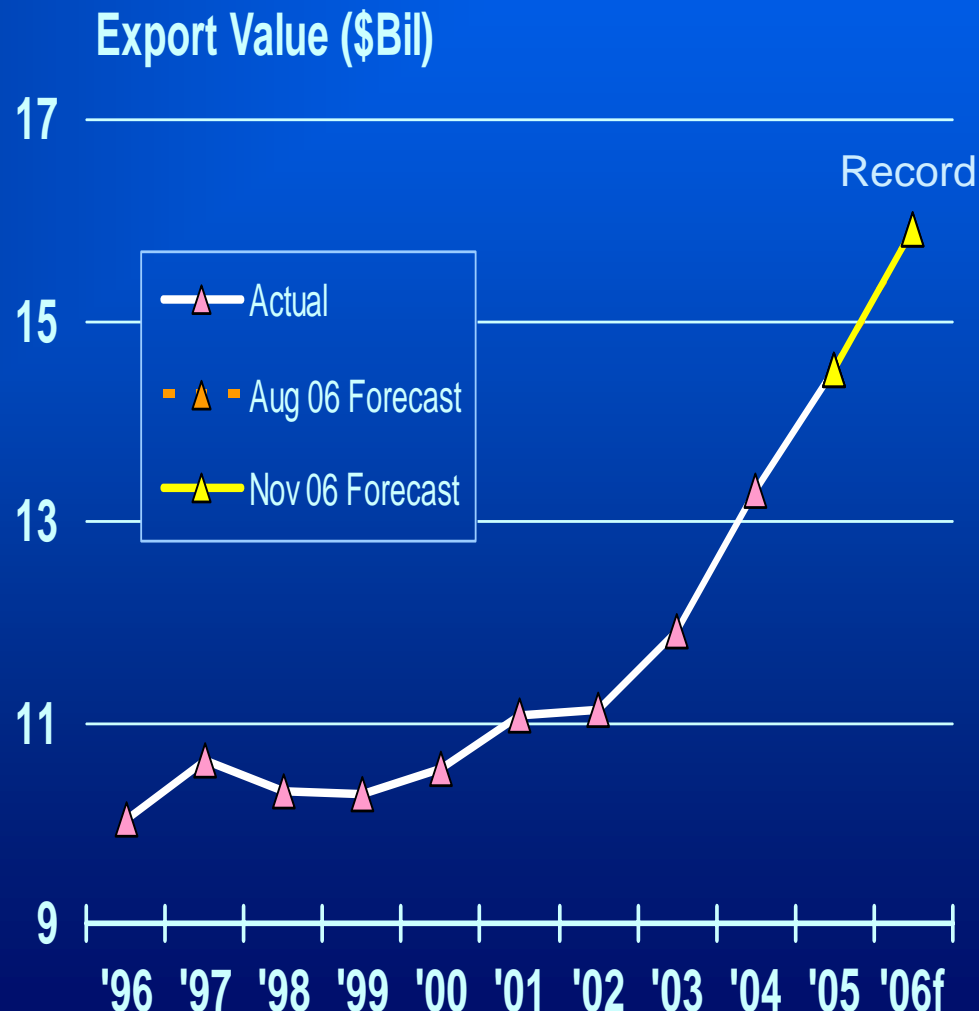
- Higher unit values for many prods; sales to key mkts in Canada, Mexico, EU & Japan remain strong
- Tree nut exports, estimated at a record \$3 billion; record almond sales are the single largest factor
- A weaker US dollar keeps US exports price competitive

Downside Development

- Florida citrus crops damaged by Hurricane Wilma reducing exportable supply

Wild Cards

- Extent of Florida hurricane damage
- Almond exports off to a slow start
- New phytosanitary issues



Export Outlook for Fishery Products

Revised FY 2006 Forecast:  \$300 Million to \$4 Billion

Revised FY 2006 Forecast

Key Upside Developments

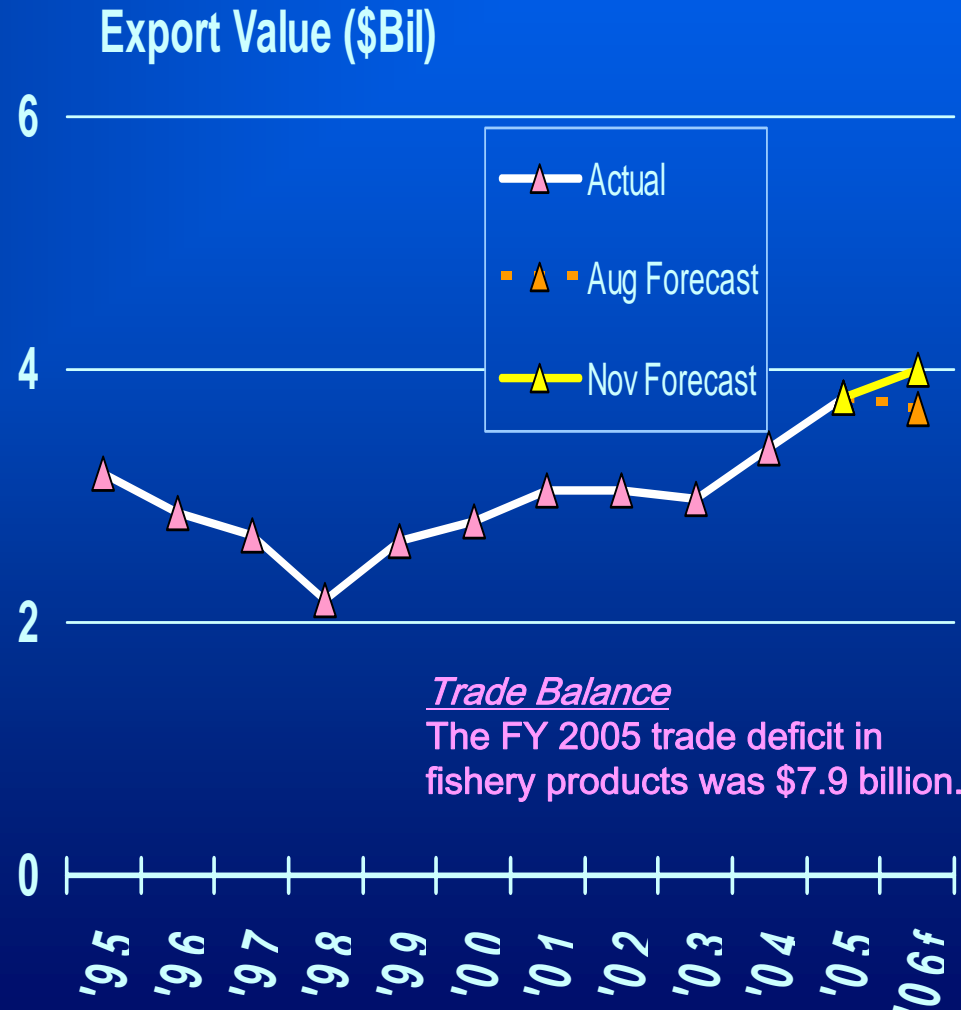
- ❑ The large salmon harvest of over 206 million fish in 2005 (up 23% over 2004) will help increase exports
- ❑ The King Crab harvest and exports are expected to be up in FY 2006
- ❑ Surimi exports continue to do well due to increased demand for quality product

Key Downside Developments

- ❑ Shrimp exports are expected to be down about 25% in FY 2006 due to hurricane damage to the industry in 2005

Wild Cards

- ❑ Size of U.S. FY 2006 harvests
- ❑ Avian influenza concerns may lead to increased U.S. fishery exports



Export Outlook for Solid Wood Products

Revised FY 2006 Forecast: Unchanged at \$5.9 billion

Revised FY 2006 Forecast

Upside Developments

- Mexico's maquiladoras expected to use more US lumber
- EU hardwood & softwood market to continue gradual recovery
- Exports to Caribbean to increase as region rebuilds from hurricanes

Downside Developments

- Softwood lumber continues to face increased competition in Japan
- Hardwood exports to Malaysia losing market share to wood from Indonesia and China

Wild Card

- Impact of US housing starts

